GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1962
ANSWERED ON:09.03.2015
EXPENDITURE BY RIL
Meena Shri Harish Chandra

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government is aware of the fact that Reliance Industries Limited has incurred huge expenditure on drilling of wells in Krishna Godavari D-6 and payments to contractors;

(b) if so, the details thereof along with steps taken by the Government to restrict the unauthorised expenditure incurred on the said blocks; and

(c) whether the Government has finalised the parameters in this regard and if so. the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN):

(a) to (c) The total expenditure made in the block KG-DWN-98/3 (KG-D6) upto 3103.2014 as per audited accounts is USD 11.286 billion. The Petroleum Operations including budgetary estimates are monitored by the Management Committee (MC). The petroleum activities not approved by MC { i.e. unauthorized expenditure) are not allowed for cost recovery. In KG-DWN-98/3 block, an expenditure of US $ 160 Million was disallowed for drilling wells not approved by MC. Also, this Ministry has disallowed an amount of US$2,376 million from the cumulative development cost incurred by the Contractor as on 31st March, 2014. This disallowance was computed based on the cumulative shortfall in production of gas vis-a-vis production estimates under the approved Addendum to initial Development Plan (AIDP) of D-1D-3 gas field in KG-DWN-98/3 block till 31.03 2014.